DETERMINANTS OF RISK REPORTING: EVIDENCE FROM INDONESIA

Lailah Fujianti¹, Florida Aryani², Amelia Damayanti³
¹) ²) ³) Faculty of Business & Economics, Universitas Pancasila, Indonesia

ARTICLE INFORMATION
Received: 11th April 2020
Revised: 27th April 2020
Issued: 05th May 2020

CORRESPONDING AUTHOR:
Lailah
E-mail: laelahpudjianti@univpancasila.ac.id
florida.aryani@yahoo.com
amel.damay@univpancasila.ac.id

DOI: 10.38035/DIJEFA

Abstract: This study analyzes risk reporting determinants namely the board of commissioners, independent commissioner and audit committee. The sample of this study consisted of 34 companies listed on the Indonesia Stock Exchange (IDX) and submitted the annual financial reports to the Indonesia Stock Exchange in 2015 and 2016. The test results showed that the board of commissioners and independent commissioners had an effect on risk disclosure, while the audit committee had no effect against risk reporting.

Keywords: Risk Reporting, Good Corporate Governance

INTRODUCTION
The era of globalization, which is signed by the rapid progress in the field of information technology, telecommunications, and transportation becomes a challenge and risk for the survival of a company. As proof, in the last few years Nokia which had dominated the cellular phone industry, was destroyed after the arrival of Blackberry with its more advanced technology and then Blackberry became history with the emergence of Samsung that introduces a more contemporary technology and no one knows how long this condition could last. This illustrates how intense the competition in this global era. This condition requires management to work hard to deal with risks, and take the right decisions in...
carrying out the company's operations unless the company will experience an operation failure that will lead to bankruptcy.

Risk is an inevitable element of every business venture. Company faces financial risks and also business risks. These business risks or economic climate change as a whole can threaten the company's existence. Company managers need information to make decision in order to avoid risk. One such source of information is risk reporting.

Risk reporting has serious consequences and becomes important information for stakeholders (Balachandran and Faff, 2015) in business decision making (Domínguez and Gámez, 2014). Barakat and Hussainey, (2013) explained that risk reporting is an important mechanism for increasing market efficiency in various ways. Firstly, the functioning of an external monitoring mechanism is to monitor the behavior of senior management (Eng & Mak, 2003). Second, it reduces investor uncertainty about the company's estimated future cash flows. Third, it supports the legitimacy and reputation of the company by maintaining the trust of various parties (Oliveira et al. 2011).

Risk reporting has become a demand for the concerned parties (Linsley et al, 2008) but the regulations governing the mechanism of risk reporting are not available yet, so the presentation has so far been voluntary in various forms. The information presented is not detailed, so many have been complained by the concerned parties (Maffei et al 2014) and the information presented is insufficient to assess the overall risk profile of the company (Paaple and Speklè 2012; Magnan and Markarian, 2011), and not relevant for decision making (Beretta and Bozzolan, 2004). Specifically, in developing countries risk reporting has not been transparent (Oliveira et al., 2011). It is recognized by practitioners that generally companies do not provide adequate information about risks (ICAEW, 2011).

The structure of Good Corporate Governance (GCG) is a variable that has been widely studied by previous studies such as the size of the board of commissioners (Madrigal et al. 2015), independent commissioners (Abraham and Cox, 2007) and audit committees (Al-Maghzom et al 2016). Lajili and Zegal, (2009) documented that the independent board of commissioners had a significant effect on risk reporting while Ntim et al (2013) showed the opposite.

Indonesia through the Financial Services Authority (OJK) has issued regulation no. 13 / POJK.03 / 2015, regarding the application of risk management for Credit Banks (BPR), but the reporting of the results of the implementation of risk management has also not been regulated, so the existing reporting is still voluntary in various forms. The level of risk reporting also highly depends on the good intentions of the company's management, especially GCG. Therefore, this study will examine the role of the GCG variable as a determinant of risk reporting in Indonesia.

LITERATURE REVIEW

Agency Theory

Jensen and Meckling pioneered the emergence of agency theory in 1976. This theory explains the relationship between principal and agent in a contract. The contract relationship is in the form of delegation of authority from the principal as the owner of the company to the agent as the manager and executor of the company. The principal's desire to be able to make
a profit is not always in line with the performance produced by the agent. Sometimes agents have to make difficult decisions, thereby reducing company profits. These conditions can make an agent lose the opportunity to get his personal rights in the form of compensation. This difference in interests is referred to as agency conflict, which happens when there is a conflict of interest between the principal and agent. Agency conflicts that occur between owners and managers of companies can cause the emergence of information asymmetry. Asymmetry of information occurs when the information known by the principal differs from the agent. Presentation or disclosure of information is one way to reduce agency conflict and reduce information asymmetry.

Agency theory assumes that managers will act opportunistically before meeting the interests of shareholders. This agency theory arises because of the development of modern management science that shifts the classical theory, namely the existence of rules that separate the owner of the company (principal) with the managers of the company (agent). As companies grow to become large, moreover shareholders are increasingly scattered, more agency costs are incurred and owners are increasingly unable to exercise effective control over the managers who manage the company. According to Jensen and Meckling (1976) potential conflicts of interest can occur between related parties such as between shareholders and company managers (agency costs of equity) or between shareholders and creditors (agency costs of debt).

According to them, agency costs include three things, namely monitoring costs, bonding costs, and residual loss. Monitoring costs are expenses paid by principals to measure observing, and controlling the agent's behavior so he does not deviate. These costs arise due to an imbalance of information between the principal and the agent. In a certain situation, agents make it possible to spend company resources (bonding costs) that can guarantee that the agent will not act detrimental to the principal or to ensure that the principal will compensate if he actually does the action. However, there can still be differences between agency decisions and decisions that can maximize agent welfare. The value of money equivalent to the reduction in welfare experienced by the principal is called residual loss.

Agency theory can be used as a basis for understanding risk disclosure practices. Agents as those who know more about the condition of the company should do the practice. This is because information about risk is an important information that influences the principal's consideration of the future conditions facing the company. The main purpose of risk disclosure is to reduce the information asymmetry that occurs between agent and principal. The Principal is in the need of information related to risk in order to improve his judgment in decision making. In addition, the practice of risk disclosure is also able to avoid the company from conflicts of interest between agent and principal through control by the principal to the agent by looking at the extent to which the agent carries out the practice of risk disclosure.

This agency theory is very difficult to apply, has many obstacles and are still inadequate so a clearer concept is needed regarding the protection of stakeholders regarding conflicts of interest and agency costs that will arise so that a new concept develops that takes
into account and regulates the interests of the parties related to company ownership and operations (stakeholders), known as the concept of corporate governance.

**Stakeholder Theory**

This stakeholder theory has been used extensively in disclosure studies such as disclosure of corporate social and environmental responsibility, intellectual property, and risk management. Based on stakeholder theory, companies that have a high level of risk, will disclose more risk information to provide justification and explanation of what is happening in the company. This means, the higher the level of risk of the company, the more disclosure of risk information that must be done by the company since management needs to explain the causes of risk, the impact caused, and how management manages company risk (Linsley and Shrives, 2006).

Stakeholder theory is a system of stakeholder networks operating in a larger system in a community system that provides market and legal infrastructure for company activities. Stakeholders theory says that a company is not an entity that only operates for its own interests, but must provide benefits for its stakeholders (shareholders, creditors, consumers, suppliers, government, society, analysts, and other parties). Thus, the existence of a company is strongly influenced by the support given by stakeholders to the company.

The company is not an entity that only operates for its own interests, and to get support from stakeholders the company must provide benefits for its stakeholders. Stakeholders are any groups or individuals who can influence or be influenced by the achievement of organizational goals. The company must maintain relationships with its stakeholders by accommodating the wants and needs of stakeholders, especially stakeholders who have the power to the availability of resources used for operational activities of the company, for example labor, markets for company products and others. One of the strategies to maintain relationships with the company stakeholders is to carry out risk disclosure and the GCG mechanism that allows for a check and balance mechanism to ensure the maintenance of the balance of internal and external interests of the organization.

**Risk Reporting**

Company risk can be defined the loss of wealth expressed in a reduction of future earnings, cashflows, market share or any other variables that reflects a negative impact (Domínguez and Gámez, 2014). Risk is inherent in a business venture because the risk must be managed so that there are no future threats. Risk management is one of the internal controls for the company and is a fundamental element in business management. Risk reporting is also useful for monitoring risk and detecting potential problems so that action can be taken early so that the problem does not occur (Linsley and Shrives 2006). Risk information is also useful for investors because it can help determine a company's risk profile, reduce information asymmetry, estimate market value, and determine portfolio investment decisions (Hassan 2009).
Good Corporate Governance

Based on the Decree of the Minister of State Enterprises No. KEP-117/M-MBU/2002, "Corporate governance is a process of structure used by SOE organs to enhance business success and corporate accountability in order to realize shareholder value in the long term, while still taking into account the interests of other stakeholders, based on legislation and ethical values." While the OECD (Organization for Economic Corporation and Development) defines "corporate governance is a system to direct and control the company.

Corporate governance relates to how investors believe that managers will benefit investors, believes that managers will not steal/embezzle or invest in unprofitable projects related to funds/capital that have been invested by investors and related to how investors control the managers.

Corporate governance has been practiced since 1600, when British companies traded in East India. The UK trading company has 218 members and is managed by the Court of Directors. GCG consists of: 1) Court of Proprietors is the owner who has voting rights, but rarely conducts meetings because the number is very large, and 2) Court of Directors is the executive body responsible for the running of the company, but the policy decisions are approved by the Court of Proprietors.

This executive board consists of the governor, deputy governor, and 24 directors. The structure of corporate governance in East India is slightly different from the structure in the company today. Court of Proprietors are now common shareholders, while Court of Directors are the classic function of the board of directors where they elect the chief executive (Cadbury, 2002).

The development of agency theory can explain the problem of corporate governance, which tries to explain how the parties involved in the company will behave because they basically have different interests. Corporate governance problems arise because of the separation between ownership and control of the company. Corporate governance is a word that connotes wise and responsible. Governance in Latin is "governor" which means directing and establishing balance values.

Hypothesis Development

1. Board of Commissioners

The board of commissioners is responsible for ensuring the implementation of corporate strategy, accountability, and overseeing management (Appuhami and Bhuyan, 2015). The number of the board of commissioners influences control and supervision activities. The size of the board of commissioners positively influences the disclosure of intellectual capital (Hidalgo et al, 2010; Oba et al. 2013). In relation to risk, Elzahar and Hussainey (2012) prove a significant positive effect on the size of the board of commissioners on risk reporting. Based on the description above, hypothesis 5 (H%) is

H1 Board of Commissioners influences Risk Reporting

2. Independent Board of Commissioners

Agency Theory claims that the board of commissioners is one of the GCG mechanisms that plays a role in increasing company disclosure (Al-Maghzom and
Hussaine, 2016) and the existence of an independent commissioner will increase the effectiveness of that role. Htay et al. (2012) proved that the high Independent Board of Commissioners (IBC) was related and significant with disclosure of social responsibility. Abraham and Cox, (2007) also showed that IBC had a positive effect on risk reporting. For this reason Hypothesis 6 (H6) is as follows:

H2 Independent Board of Commissioners influences Risk Reporting

3. Audit Committee

Audit committee is a committee that assists the commissioner or supervisory board in ensuring the effectiveness of the internal control system (Turley & Zaman, 2007) and as a GCG mechanism, the existence of the audit committee helps improve internal control, acts as a means of reducing agency costs, and becomes a powerful monitoring tool to increase disclosure (Li et al. 2012). In Indonesia the number of members of the Audit Committee (AC) consists of at least three members. One of the members is an independent commissioner who also serves as chairman. The audit committee has a very important and strategic role in maintaining the credibility of the financial statement preparation process because it functions as a monitoring tool in improving the audit verification function (Albawwat and Ali Wet, 2015). Uzliawati et al 2014 showed that there was a positive influence of the audit committee on intellectual capital disclosure. Based on that hypothesis 7 (H7) is as follows:

H3 Audit Committee influences risk reporting

RESEARCH METHODS

Population and Sample

The research population was companies listed on the Indonesia Stock Exchange in 2015 and 2016. The research sample was determined based on purposive sampling with the criteria (a) presenting financial statements for 2015 and 2016, (b) presenting financial statements in rupiah (c) having complete data, (d) including the industrial sub sector per banking.

Variable Operationalization

The summary of variable operationalization can be seen on Table 1 as follow:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Reporting (RR)</td>
<td>Number of risk disclosure</td>
</tr>
<tr>
<td>Board of Commissioners (DK)</td>
<td>The proportion of Commissioner board members and director board members</td>
</tr>
<tr>
<td>Board of Independent Commissioners (KI)</td>
<td>The proportion of independent commissioner board members and commissioner board members</td>
</tr>
<tr>
<td>Audit Committee (KA)</td>
<td>The number of commissioner board members</td>
</tr>
</tbody>
</table>
FINDINGS AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistics provide a description of the data that is seen from the average value (mean), deviation standard, variance, maximum, and minimum. Table 2 presents the results of the descriptive statistical analysis of each study variable. The DK (Board of Commissioners) variable has a minimum value of 3, a maximum value of 8, an average value of 5.0294 and the deviation standard for this variable is 1.83378.

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>34</td>
<td>3</td>
<td>8</td>
<td>5.0294</td>
<td>1.83378</td>
</tr>
<tr>
<td>KA</td>
<td>34</td>
<td>0.4</td>
<td>0.75</td>
<td>0.5748</td>
<td>0.10132</td>
</tr>
<tr>
<td>KI</td>
<td>34</td>
<td>2</td>
<td>6</td>
<td>3.8235</td>
<td>1.02899</td>
</tr>
<tr>
<td>RR</td>
<td>34</td>
<td>0.38</td>
<td>0.99</td>
<td>0.7435</td>
<td>0.15914</td>
</tr>
</tbody>
</table>

KI (Independent Commissioners) variable has a minimum value of 0.4000, a maximum value of 1.0000, with an average value of 0.602660, and deviation standard of 0.1437602 with observation number of 35 samples. Based on the minimum value mentioned it can be seen that banking companies have fulfilled the minimum percentage of independent commissioners determined by the Indonesia Stock Exchange on July 1, 2004, which is 30%. The KA variable (Audit Committee) has a minimum value of 2, a maximum value of 6, with an average value of 3.83, and a standard deviation of 1.014 with a total of 35 observations. That is, the average number of audit committees in banking companies is 3 to 4 people.

Classical Assumption Test

The normality test is carried out using the Kolmogorov Smirnov test. Provisions in Kolmogorov Smirnov is data normally distributed if the probability value is greater than 0.05. The result of the normality test with Kolmogorof Smirnov shows the number 0.967 is greater than 0.05 (table 2) then the variable has a normal distribution.

<table>
<thead>
<tr>
<th>Description</th>
<th>Unstandardized Residual</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>0.495</td>
<td>Data distributed normally</td>
</tr>
<tr>
<td>Asymp.Sig. (2-tailed)</td>
<td>0.967</td>
<td>Data distributed normally</td>
</tr>
</tbody>
</table>

Multicollinearity test aims to test whether in the regression model is found a correlation between independent variables. Multicollinearity occurs if the value of Variance Inflation Factor (VIF) > 10 and if the tolerance value < 0.10. A good and feasible regression model used in this test should not occur multicollinearity or there is no correlation between independent variables. Multicollinearity test results can be seen in the following table:
Table 4
Multicollinearity Test Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Tolerance</th>
<th>VIF</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>0.644</td>
<td>1.553</td>
<td>There is no multicollinearity</td>
</tr>
<tr>
<td>KI</td>
<td>0.786</td>
<td>1.272</td>
<td>There is no multicollinearity</td>
</tr>
<tr>
<td>KA</td>
<td>0.800</td>
<td>1.251</td>
<td>There is no multicollinearity</td>
</tr>
</tbody>
</table>

Based on table 4 multicollinearity test results above, it can be seen that the VIF value of each independent variable, namely DK shows a figure of 1.533, KI of 1.272, and KA of 1.251. Then, the tolerance value of DK shows the number of 0.644, KI of 0.786, and KA of 0.800. The value of VIF and tolerance can prove that there is no correlation between each independent variable because of the value of VIF <10 and tolerance value> 0.10 from each independent variable.

Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from one observation to another. How to detect the presence or absence of heteroscedasticity is by looking at a plot graph between the predicted values of the dependent variable.

In the plot graph shown in Figure 1 above, it can be seen that there are points that spread randomly, both above and below the number 0 on the Y axis, and they do not form a clear pattern. This is in accordance with the basic analysis of the heteroscedasticity test so that it can be concluded that there was no heteroscedasticity and the regression model was appropriate to be used to assess Risk Reporting (RD) based on the input of its independent variables.
Autocorrelation test aims to test whether in the linear regression model there is a correlation between the mistake of the intruder in one observation and the mistake of the intruder in the other observation. Autocorrelation disorders can be seen using the Runs Test normality test. Based on the Runs Test results in table 5, it is known that the Asymp.Sig value is 0.495. Asymp.Sig. to be free from autocorrelation is 0.05. Thus, it can be concluded that the regression model is not affected by autocorrelation.

### Table 5

<table>
<thead>
<tr>
<th>Description</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runs Test Z</td>
<td>-0.682</td>
</tr>
<tr>
<td>Asymp.Sig. (2-tailed)</td>
<td>0.495</td>
</tr>
</tbody>
</table>

**Determination Coefficient ($R^2$)**

It is a test that determines how much the independent variable influences the dependent variable measured by RD (Risk Reporting) and the rest is determined by the variable explained by other factors not included in the model. The coefficient of determination ranges from $0 \leq R^2 \leq 1$. The results of the determination coefficient test are as follows:

### Table 6, Determination Coefficient Test Result ($R^2$)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.596a</td>
<td>356</td>
<td>.293</td>
<td>.1254685</td>
</tr>
</tbody>
</table>

Table 6 is the result of the coefficient of determination test which shows the Adjusted R Square value of 0.293 which means that the independent variables, namely DK, KI, and KA can explain the variation of RD (Risk Reporting) of 29.3% and the remaining 70.7% is determined by variables explained by other factors out of the model.

**Hypothesis Test**

The t-statistic test in regression is used to test the effect of each independent variable individually in explaining the behavior of the dependent variable. Testing the hypothesis is done using $\alpha$ (significance level) of 5% (0.05) provided that if $\alpha \leq 0.05$, then the proposed hypothesis is accepted and vice versa, if $\alpha > 0.05$, the proposed hypothesis is rejected. Following are the results of processing the t-statistic test:

### Table 7, Hypothesis Test Result

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>B</th>
<th>T</th>
<th>Sig</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.293</td>
<td>1.937</td>
<td>0.062</td>
<td></td>
</tr>
</tbody>
</table>
The variable of DK or board of commissioners has a significance of 0.000 which means that the level of significance <0.05 so based on that value H1 which states that there is an influence of the board of commissioners on RD (Risk Reporting) is accepted or the board of commissioners influences RD (Risk Reporting).

The variable of IK or independent commissioner has a significance level of 0.028 which means that the significance <0.05, then based on the significance it can be concluded that H2 stating that there is an influence of independent commissioners on RD (Risk Reporting) is accepted or independent commissioners influence RD (Risk Reporting).

The variable of KA or audit committee shows a significance level of 0.516 which means that the value is > 0.05, it can be concluded that H3 is rejected or the audit committee has no effect on RD (Risk Reporting).

**F Test (Model Feasibility Test)**

The statistical test F was carried out to show whether the regression model was the right and feasible model. The feasibility test of the model has a provision if the significance ≥ 0.05, then H1 is accepted and if the significance <0.05, then H1 is rejected. Then compare between the value of F table and F count with a probability level of 5% or 0.05. If Fcount > Ftable, then H1 is rejected. Conversely, if Fcount < Ftable, then H1 is accepted. The following is a table of the model feasibility test results:

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.702</td>
<td>0.003b</td>
</tr>
</tbody>
</table>

1. **Dependent Variable: RD**
2. **Predictors:** (Constant), DK, KA, KI.

Based on the f test table (the model feasibility test) table 4.11 shows the Fcount of 5.702, the Ftable is seen with the degree of freedom (df1 = k-1) (df2 = n - k) of 2.87 so Fcount > Ftable with a significance < 0.05, then H1 is rejected so it can be concluded that the regression model used is an appropriate and feasible model to explain the influence of the variable board of commissioners, independent commissioners, and audit committee on RD (Risk Reporting).

**CONCLUSION AND SUGESTION**

Based on the test results of multiple linear regression analysis in table 4.5 the regression coefficient for independent variables of the board of commissioners is 0.057 and shows the direction of a positive relationship between the size of the board of commissioners with Risk Reporting. This means that the increase in the board of commissioners will be followed by an increase in Risk Reporting, while based on the results of the t test in table 4.5 the significance value for the board of directors is 0.000 which means that a significance
value <0.05 so that H1 is accepted. This shows that partially the size of the board of commissioners influences Risk Reporting.

These results are consistent with research conducted by Aryane (2011) which states that the board of commissioners influences Risk Reporting. The results of the study are not consistent with research conducted by Baskoro (2015) which states that the board of commissioners has no effect on Risk Reporting. The board of commissioners influences the Risk Reporting due to the increasing number of members of the board of commissioners in a company will provide more optimal supervision of the process of implementing corporate governance so that the company will disclose company risk better, more fully, and more informatively. The large number of board of commissioners will bring a combination of skills among its members which will further increase the accuracy of supervision and control of company management. The greater the size of the board of commissioners means the more people think about the risks faced by the company, the greater the company's ability to overcome the threats from these risks (Suhardjanto and Dewi, 2011).

Based on the results of the multiple linear regression analysis test in table 4.5, the value of the regression coefficient for the independent variable of commissioners is 0.390 and shows the direction of a positive relationship between the independent commissioners and Risk Reporting. This means that any increase in the percentage of independent directors will be followed by an increase in Risk Reporting, while the t test results in table 4.5 are significant for independent commissioners of 0.028 (α <0.05) so that H2 is accepted or partially the independent commissioner influences Risk Reporting. The results of this study are consistent with those conducted by Wardhana (2013) which states that independent commissioners influence Risk Reporting. Meanwhile, this research is inconsistent by Aryane (2011) and Chariri (2014), which states that independent commissioners have no effect on Risk Reporting.

Independent commissioner has the duty to oversee and control the activities carried out by the company's executive director, but this will pose a higher level of risk because the independent commissioner will act as an external party of the company and usually has little involvement in the implementation of company management. The company is deemed necessary to provide information regarding the proportion of independent commissioners. Companies with a high proportion of independent directors will usually get demands to provide more information in order to balance the risk level of their personal reputation so it is expected that companies with a high proportion of independent directors will make higher risk disclosures (Wardhana, 2013).

Based on the results of the multiple linear regression analysis test in table 4.5, the significance value for the audit committee variable is 0.516 (α> 0.05) so that H3 is rejected or the audit committee variable has no effect on Risk Reporting. The results of the study are in line with the results of research conducted by Aryane (2011) and Wardhana (2013) which shows that the audit committee has no effect on Risk Reporting. While this study is not consistent with Saidah (2014) that states the audit committee influences Risk Reporting. The audit committee has no influence on Risk Reporting because the audit committee's duties and responsibilities have not been implemented properly and the audit committee's role is less
optimal in carrying out its supervisory and control on company management, so that the number of audit committees is considered unable to guarantee the effectiveness of the audit committee's performance in overseeing Risk Reporting (Dewi, 2011).

REFERENCE


